



Michigan Public School Employees

RETIREE HEALTH VALUATION RESULTS
as of September 30, 2006

GRS

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Introduction

- ◆ Purpose of Actuarial Valuation

- ▶ Funding Valuation

- ◆ PDP Payments from Medicare

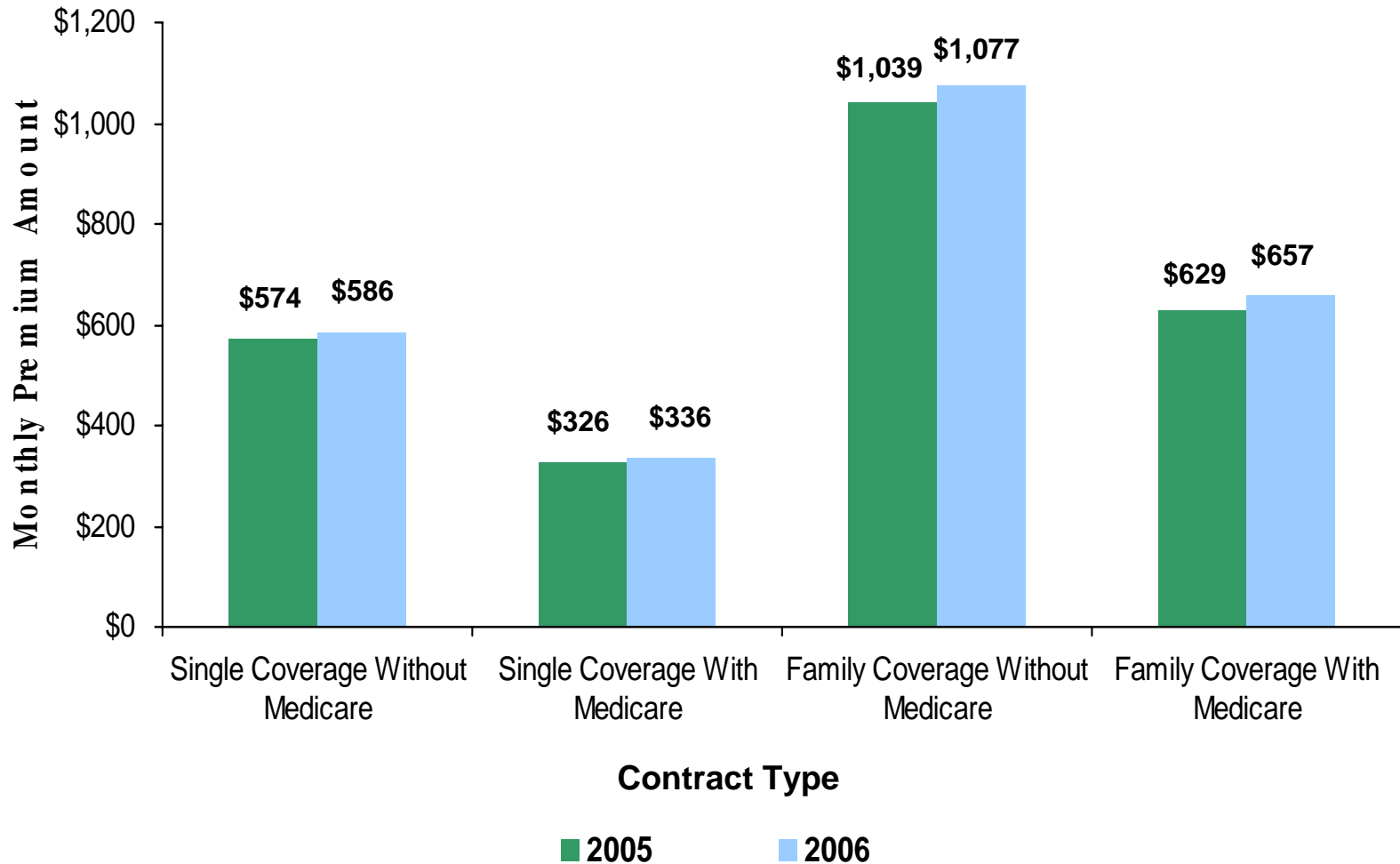
- ◆ Actuarial Assumptions

- ▶ 8% Investment Return

- ▶ Premium increases 7.5%, 6.5%, and 5.5% on October 1, 2007, 2008 and 2009, respectively

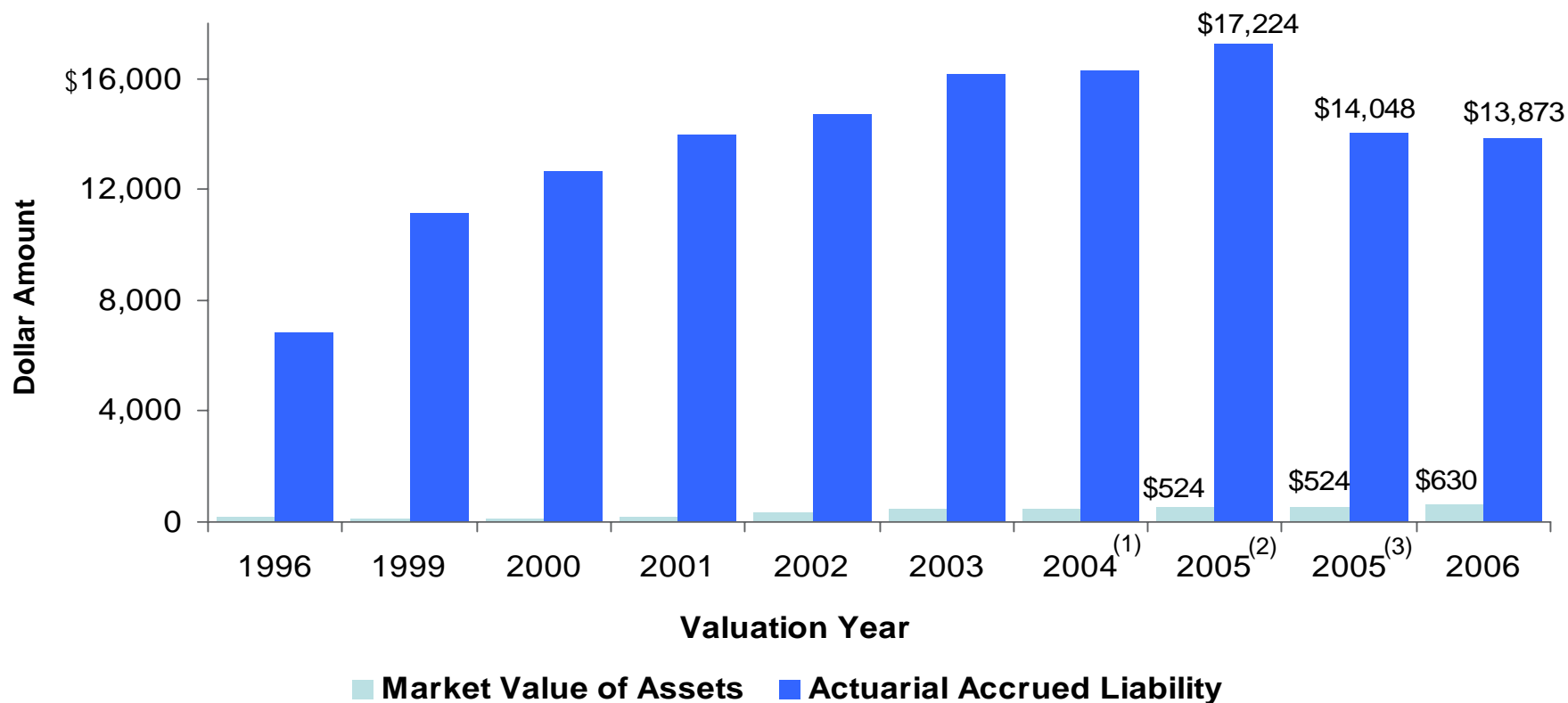
- ▶ Premium increases 4.5% each October 1 thereafter

Weighted Average Assumed Employer Paid Premiums (Medical, Dental, Vision Combined)



Health Assets & Accrued Liabilities

(Amounts in Millions)



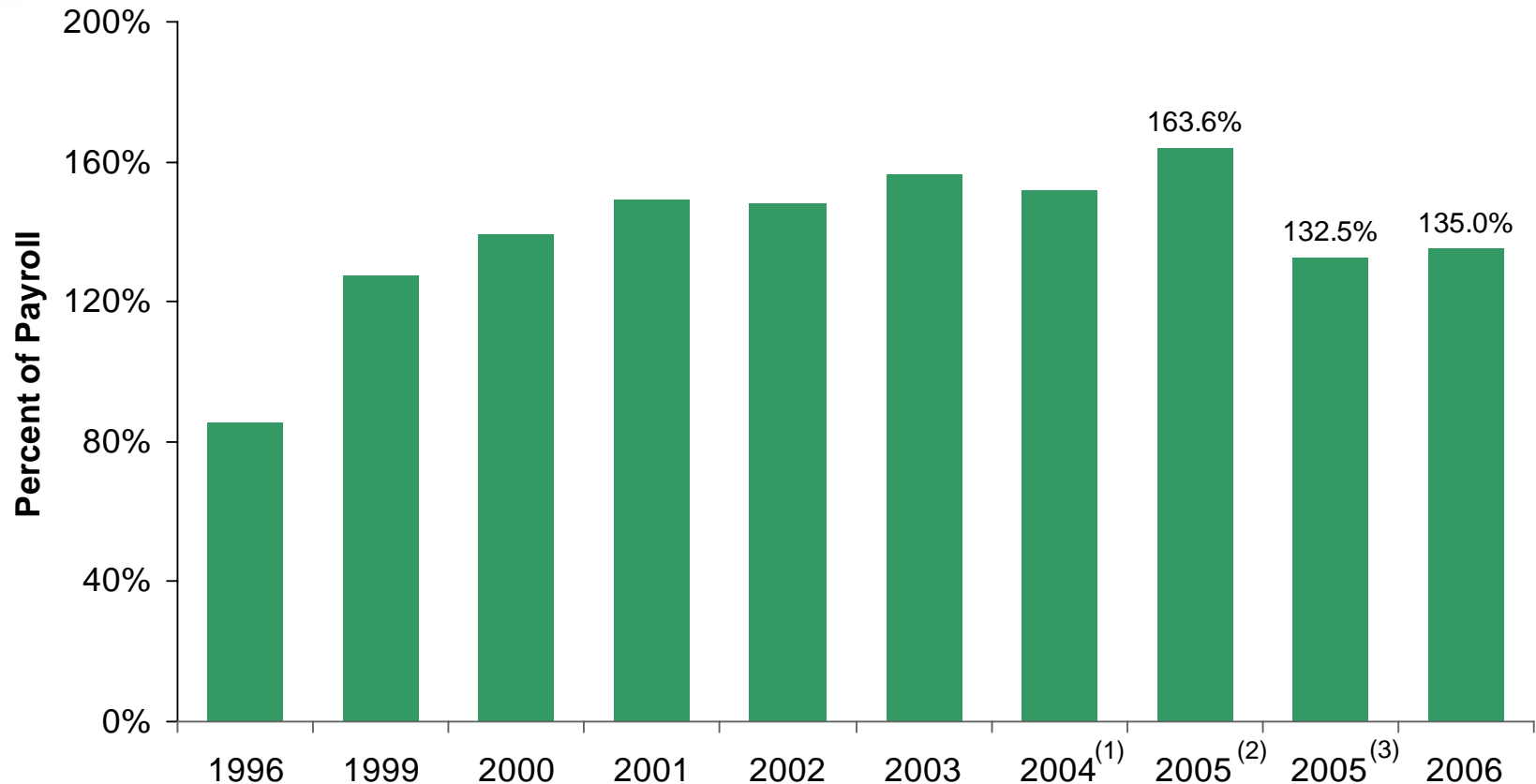
(1) Reflects assumption changes

(2) Without PDP Payments from Medicare

(3) With PDP Payments from Medicare



Unfunded Accrued Liabilities as %'s of Payroll

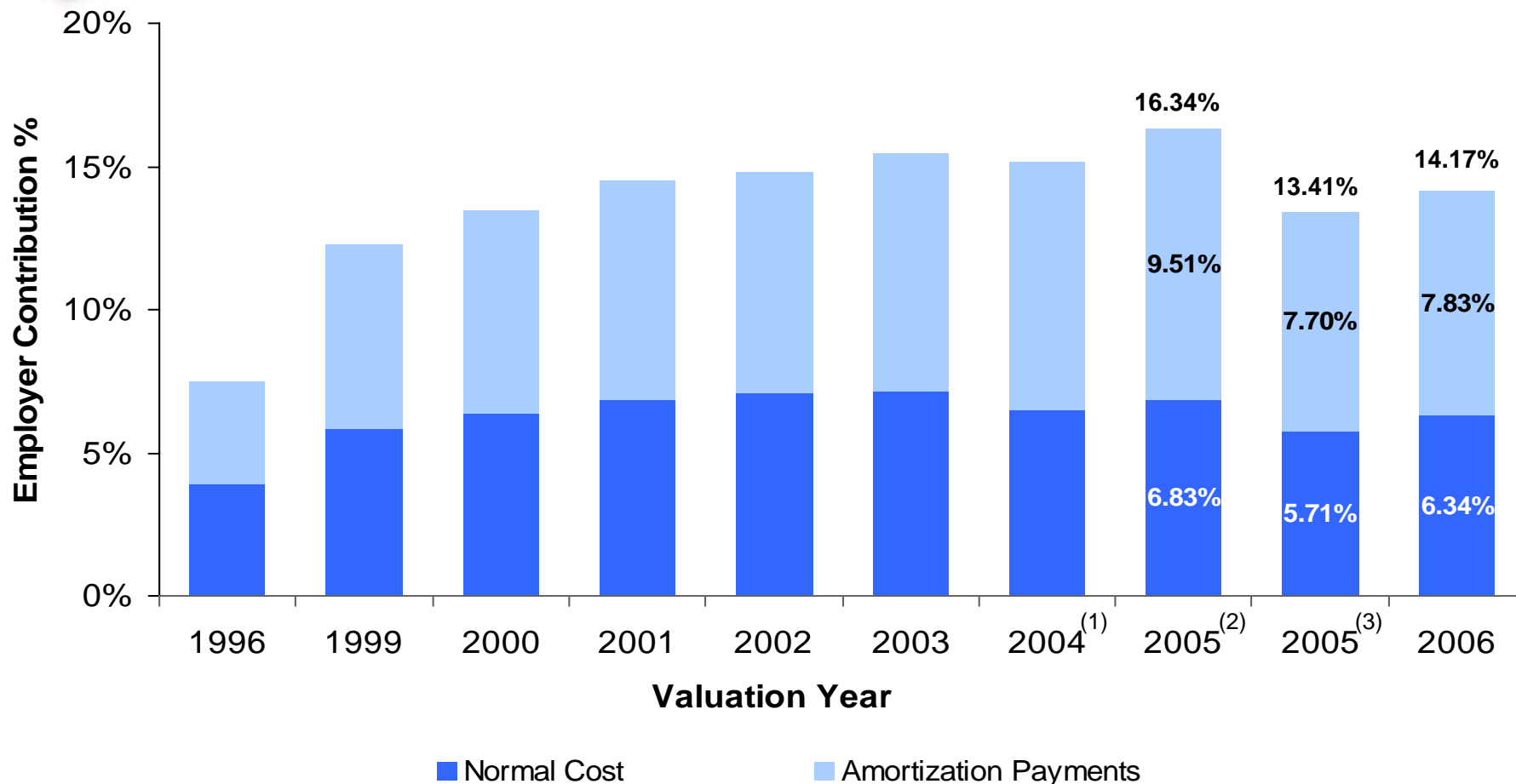


(1) Reflects assumption changes

(2) Without PDP Payments from Medicare

(3) With PDP Payments from Medicare

Employer Contribution Rates as Percents of Payroll (Pre-Funding)



(1) Reflects assumption changes

(2) Without PDP Payments from Medicare

(3) With PDP Payments from Medicare